

7 CFR PARTS 250.3, 250.14(d) and (e), 250.16

CHAPTER VII

INVENTORY CONTROL REQUIREMENTS

A. INVENTORY

Agencies must implement and maintain an inventory system that records all receipts and issuances of donated foods. To maintain a sound and efficient inventory, agencies should follow these guidelines: Sample inventory forms can be found at the end of this chapter.

1. Have all inventory records readily available for review.
2. In the separate inventory system, inventory and store donated food and processed end products containing donated food separately from similar purchased items.
3. Report only full cases or balers. If commodities have been removed from their containers, quantities should be converted to full cases or balers.
4. Record **all** receipts and issuances of commodities. This includes the issuance of raw products to processors and transfers to or from other recipient agencies.
5. Use the inventory records as a guide for completing the offering. Avoid ordering any item when existing stock cannot be used within a six-month period.

B. ANNUAL INVENTORY REPORT

Each year, agencies will receive a request for an annual inventory certification.

The inventory certification must be completed and returned to the Commodity Distribution Unit (CDU) as specified in the notification letter. Inventory forms can be found on the Internet at www.cde.ca.gov.

ANNUAL INVENTORY FORMS

Inventory records are useful for the following reasons:

1. *As indicators of excessive donated food on hand.*
2. *As indicators of old stocks of donated food on hand.*
3. *To determine the level of utilization of donated foods, which assists in ordering foods.*

The FDP will assist agencies in transferring excessive inventories to other eligible agencies. **All transfers of USDA commodities must be preapproved by FDP.**

USDA regulations prohibit agencies from storing more than a six-month supply of any donated food item. If an agency wishes to retain more than a six-month supply of any single donated food item, it must submit written justification for the excessive inventory to the Food Distribution Program (FDP) for approval.

Recipient agencies should implement inventory management controls and should order only items that can be used without waste and that will not result in more than a six-month inventory. **Agencies wishing to reduce or transfer excessive inventories should contact CDU for assistance.**

Please refer to Management Bulletin Number, 00-405 and 01-413 which may be found on the Internet at www.cde.ca.gov.

7 CFR PARTS 250.3, 250.40

C. REQUIREMENTS FOR SUMMER FEEDING PROGRAMS

Donated foods may only be used in summer feeding programs for children during the months of May through September. (See Chapter II of this manual.)

At the close of the program, an agency has five days to furnish the FDP with an ending inventory report.

A sample of a summer ending inventory may be found at the end of this chapter. Blank inventory forms are provided with the summer offering.

All food remaining on hand must be transferred to another agency eligible to receive donated food or returned to an FDP distribution center **at the requesting agency's expense** within 15 days of the close of the program.

Before transferring donated food, the agency must contact its commodity consultant in the CDU for approval. The consultant may also be able to provide assistance in locating eligible agencies to receive the food.
